

Message Text

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73

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 COME-00 TRSE-00 SCI-06 SCEM-02

INT-08 FPC-01 SSO-00 CIAE-00 INR-10 NSAE-00 RSC-01

PA-04 PRS-01 USIA-15 L-03 H-03 SS-20 NSC-10 CIEP-02

CEA-02 DRC-01 /126 W

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FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC 1510

INFO AMEMBASSY OTTAWA

UNCLAS VANCOUVER 0032

EO 11652: N/A

TAGS: ENRG, CA

SUBJ: NATIONAL ENERGY BOARD RULING IN GAS PRICE INCREASE TO

U.S. FIRMS

REF: VANCOUVER'S 609, 622, 642 AND 697

1. THE NATIONAL ENERGY BOARD BROUGHT DOWN A RULING ON FRIDAY, JANUARY 11 THAT BRITISH COLUMBIA ACTED ON CONSTITUTIONAL GROUNDS IN THE RECENT PRICE INCREASE IMPOSED BY THE B.C. PETROLEUM CORPORATION ON NATURAL GAS SOLD TO EL PASO AND APCO. THE INCREASE WILL BE EFFECTIVE RETROACTIVE TO NOVEMBER 14, 1973. IT IS REPORTED THE PRICE BOOST WILL BRING AN ADDITIONAL DOLS 100 MILLION ANNUALLY TO B.C.

2. JAMES RHODES, CHAIRMAN OF THE B.C. PETROLEUM CORPORATION, THE BODY RESPONSIBLE FOR INSTITUTING THE PRICE INCREASE SAID THE NATIONAL ENERGY BOARD RULING WAS THE DAWN OF A NEW ERA FOR THE PROVINCE'S NATURAL GAS INDUSTRY. HE SIAD, QUOTE IT IS A FIRST IN NORTH AMERICA. NO OTHER PROVINCE HAS ATTEMPTED THIS TYPE OF MARKETING PROPOSAL UVQUOTE.

3. THE RULING IN EFFECT GIVES THE PROVINCE THE RIGHT TO CONTROL

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TME PRICE OF BMC. NATURAL GAS IN THE UNITED STATES. IT IS THE ONLY PROVINCE IN CANADA IN SUCH A POSITION.

4. NORTHWEST PIPELINE CORPORATION, EL PASO'S PARTNER HAS SAID
IT WILL IMMEDIATELY APPLY TO THE FEDERAL POWER COMMISSION FOR
AUTHORITY TO MAKE PAYMENT ON THE BASIS AUTHORIZED BY THE N.E. B.
THIS IS ONLY
REQUIRED TO COVER THE PERIOD FROM NOVEMBER 14 TO DECEMBER 31, 1973.
ON DECEMBER 28, THE FPC GAVE APPROVAL TO HIGHER PRICES FROM THAT
DATE ON IN ANTICIPATION OF THE VALIDITY OF THE INCREASE IMPOSED
BY B.B. PETROLEUM CORPORATION.

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 14 JAN 1974
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
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30 JUN 2005

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